

# Memorandum



**Date:** June 3, 2014

Supplemental to  
Agenda Item No. 8(F)2

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor

**Subject:** Supplemental Information to Resolution Approving Amended and Restated Agreements  
Regarding Miami Heat and American Airlines Arena

As previously disclosed to the Board of County Commissioners (Board), the County is discussing with the Beckham group the possibility of locating a soccer stadium on the western edge of what is now partially Museum Park and partially filled in land that is now a deep-water boat slip (FEC Slip) immediately north and adjacent to the American Airlines Arena (Arena). The proposed land and FEC Slip are currently owned by the City of Miami (City). As part of the discussion with the Beckham group, the County is exploring an exchange of the City-owned land needed for the soccer stadium for Parcel B - the County-owned land immediately east and behind the Arena. Parcel B was originally sold and deeded to the County by the City. In light of this possibility, I thought it would be prudent to notify the Board of the following provisions in the proposed Arena Agreements that may be implicated if a potential soccer deal is reached:

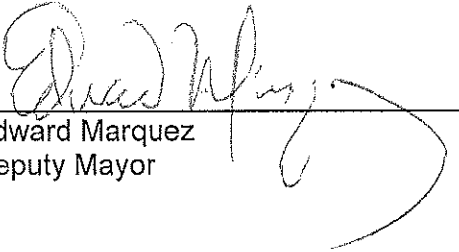
- Section 15.1.8 of the Management Agreement between the County and the Heat contains a noncompetition clause. The clause directs that "the County shall not monetarily support, directly or indirectly, the ongoing operating or capital costs of any public assembly facility having a capacity for total attendance of more than 3,500 but less than 45,000 located in Miami-Dade County" that could compete for Arena suitable events without the Arena Lender's approval. This section contains exceptions to the noncompetition clause, including the Adrienne Arsht Center and "a professional baseball stadium," which allowed for County funding of these facilities without implicating the Heat's noncompetition clause.

As currently discussed, the Beckham soccer stadium will be located almost immediately adjacent to the Arena and will seat approximately 20,000 to 25,000 fans. The proposed Management Agreement does not contain the contemplated soccer stadium as an exception to the noncompetition clause. Additionally the City of Miami is not bound to any non-compete clause with the Heat should it develop a soccer stadium on its property.

- Section 15.1.7 of the Management Agreement provides for a "No Interference Clause" that prohibits the County from hosting or permitting any event within one-half mile of the Arena that would fail to preserve at least one point of access to and from the Arena for vehicles and pedestrians during Arena events.
- With respect to Parcel B, the County has the right to develop up to 70,000 square feet of specialty entertainment and retail thereon. Other than the improvements permitted by the deed from the City to the County, the Arena Agreements preclude the County from constructing any improvements on Parcel B which would deprive the Arena Manager from fully developing the Arena site as the Manager is permitted to do so under the Arena Agreements and the deed. Per the Arena Agreements, the County presently has a right to construct an Off-Site Garage on Parcel B with up to 1,500 spaces and the revenue from such garage (if ever built) will accrue solely to the County. In the event the County elects to develop on Parcel B, the Development Agreement requires that the County also undertake certain infrastructure work on the baywalk, seawall, and roads. In addition, any construction of an Off-Site parking garage on Parcel B cannot materially interfere with the

operations of the Arena and its on-site garage. Finally, the County is required to grant the Manager any utility, access or similar easements on Parcel B necessary for the Arena. These obligations would need to be transferred to any subsequent owners of Parcel B.

- A storm water drainage system was constructed on Parcel B as part of the construction of the Arena. The system drains through penetrations in the Seawall. The County is obligated to the Arena Manager to maintain the seawall behind Parcel B, with the exception of elements related to the Arena's storm water drainage system. The Manager is permitted to make repairs to the system and the Seawall during the term of the agreements. The rights and obligations regarding the storm water system and the Seawall would need to be transferred to any subsequent owner of Parcel B.
- The Arena Agreements contemplate that the County prepared a Master Plan, which may be amended by the Board from time to time, for the development of the Arena and Parcel B sites as an integrated development. Although the Arena Manager had the right to review and comment on the Master Plan, it did not have any approval rights with respect to the Master Plan. The County and the Arena Manager shall mutually cooperate with each other to coordinate the development of the Master Plan with the development of the Arena, but ultimately the Board has final approval of the Master Plan. It should be additionally noted that nothing prohibits the County or, if Parcel B is conveyed to the City, the City, from developing Parcel B into open public green space.



Edward Marquez  
Deputy Mayor